



United States Department of Agriculture

Farm and Foreign Agricultural Services
Risk Management Agency

BULLETIN NO.: MGR-00-030

TO: All Reinsured Companies
All Risk Management Agency Field Offices

FROM: Kenneth D. Ackerman /s/ Ken Ackerman 10-20-00
Administrator

SUBJECT: Addendum to the 2001 Crop Year Apple Actuarial Documents - Apple Crop
Insurance Pilot Quality Option

BACKGROUND:

On October 19, 2000, the Federal Crop Insurance Corporation Board of Directors approved the Apple Crop Insurance Pilot Quality Option (AQO) for all counties in which apple crop insurance is available in the States of California, Michigan, New York, Pennsylvania, Virginia, and Washington beginning with the 2001 crop year. AQO is an option that attaches to the Multiple Peril Crop Insurance Apple Crop Insurance Provisions (01-054). AQO provides quality coverage for U.S. Fancy grade or better apples and values such apples at higher prices.

The Risk Management Agency (RMA) has placed the Apple Pilot Quality Option (00-54-AP) and Underwriting Guidelines on the RMA Website at: www.rma.usda.gov/pilots/2001pilot.html.

ACTION:

Insurance providers must inform agents approved to sell apples in the States of California, Michigan, New York, Pennsylvania, Virginia, and Washington of the availability, terms, and conditions of the AQO. Actuarial documents will not be refiled to reflect AQO. The Price Addendum and Actuarial Data Master will be updated to reflect AQO. Data Acceptance System edits (Manual 13) for AQO will be available on the RO Server. For insureds to obtain AQO coverage, the attached Actuarial Addendum **MUST** be used.

DISPOSAL:

This Manager's Bulletin is effective until incorporated into the next actuarial filing.



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The Risk Management Agency Administers and Oversees
All Programs Authorized Under the Federal Crop Insurance Corporation

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APPLE PILOT QUALITY OPTION
ACTUARIAL ADDENDUM
FOR
2001 CROP YEAR

OPTION/OPTION NAME	RATE CLASS OPTION FACTOR BY TYPE	
(QF) QUALITY OPTION FANCY	Type-114-Varietal Group A	Type-115-Varietal Group B
	Rate Class Option Factor	1.20 for type -114 &115
(QP) QUALITY OPTION OTHER	Type-114-Varietal Group A	Type-115-Varietal Group B
	Rate Class Option Factor	1.20 for Type -114 &115

(Note: Both QF and QP must be specified for Types 114 and 115 for the Apple Pilot Quality Option to be in effect.)

Special Provision Statements

In accordance with section 8(d) of the AQO, for Washington State **ONLY**, the **Washington State Grading Standards** will be used for determining grade classification.

In accordance with section 8(f) of the AQO, the **Minimum value** is **2.5** cents per pound.